

Maryland Military Department Testimony

Fiscal Year 2005 Operating Budget

**Presented to
Senate Health and Human Services Subcommittee
February 20, 2004**

**House Public Safety and Administration Subcommittee
February 25, 2004**

Introduction

The Maryland Military Department appreciates this opportunity to update the committee on the activities of the Department and to respond to the issues raised and recommendations contained in the analysis prepared by the Department of Legislative Services (DLS).

This document contains the following information:

1. Highlights of the Maryland Military Department's key accomplishments of the past year.
2. A discussion of key issues affecting the Department, as discussed in the analysis prepared by the Department of Legislative Services (DLS).
3. The Department's response to the recommendations of the Department of Legislative Services

Key Accomplishments

The Maryland National Guard (MDNG) continues to play a key role in the economic viability of Maryland, as our total economic impact remained stable and robust at \$205.9 million dollars. With this continued stability, the ratio of federal to state dollars invested in the MDNG remains strong at **\$13 dollars to \$1 dollar**. The MDNG continues to provide employment opportunities, educational benefits, and distance learning centers to expand emergency management capabilities and enhance training opportunities, while remaining ready to serve competently and confidently at home and abroad.

These are critical times for the MDNG, whose members are serving and will continue to serve in volatile parts of our uncertain and complex world today. The Maryland Army National Guard (MDARNG) has a proud history of service to the nation and community since 1634 and they remain a relevant force as they continue to support Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom. Since 1921 the Maryland Air National Guard (MDANG) has continued its outstanding support to the State and country. Currently, the MDANG is supporting Operation Noble Eagle, Operation Enduring Freedom and support to USAF Air Expeditionary Forces. Both the MDARNG and MDANG have shared in the NATO Partnership for Peace program with the Republic of Estonia and are in the initial stages of building a NATO Partnership program with Bosnia. The total number of soldiers and airmen that have been mobilized since 9/11/2001 is over 3,900. They have received and will continue to need full and

complete public support as we continue to face the possibility of significant major deployments in the coming months and years. They will need continued family support, employer support, and community support. Based upon these increasingly demanding requirements placed upon our Guard members, we are facing major recruiting and retention challenges that more than likely will continue over the next several years. It is imperative that our recruiting and retention efforts are successful to maintain current force structure and pursue future force structure that will expand the diversity and relevance of our organization. To that end it is vital that our Tuition Assistance program is funded.

The Maryland Emergency Management Agency (MEMA) State Emergency Operations Center has instituted a 24 hour Watch Center that monitors State, Local and National events 7 days a week. The Watch Center coordinates requests for assistance from Local Jurisdictions and State Agencies.

Local Jurisdictions are reporting incidents to the Watch Center including major road closures, hazardous materials incidents, potential Homeland Security issues, and damage reports where the damage is the result of weather. These incidents are documented in a daily report for the Maryland Emergency Incident Reporting System (MEIRS). The Watch Center also makes the appropriate notification to local, state, and federal officials depending on the nature of the incident reported. The Watch Team also routinely tests all emergency communications equipment in the State Emergency Operations Center to insure that it is in a constant state of readiness.

Since its inception, the Watch Team has activated the State Emergency Operations Center, for events including The Northeast Power Outage, Large Scale Power Outages in Maryland, Hurricane Isabel, and partially activated for several Winter Storms. Additionally, the Watch Team has participated in several exercises, including full-EOC activation exercises for the Calvert Cliffs Nuclear Power Plant, and the State of Maryland Winter Storm Exercise.

Discussion Points Raised in Department of Legislative Services Analysis

Discussion Points

1. Maintaining Facilities – The Department should discuss how having a large portion of the army facilities not fully functional affects mission accomplishment

Armories that are not fully functional inhibit the proper training of soldiers for state and federal mission requirements. Fully functional facilities include complete and operating infrastructure, classrooms, ranges, motor pools, maintenance training areas, and administrative space as prescribed by the National Guard Bureau for the type and size units assigned to the state. Additional considerations include areas for the assembly of soldiers required for state and federal missions in support of state and national security requirements. The lack of fully functional facilities can severely degrade the ability of National Guard Soldiers and unit's to respond to and mitigate the situation that causes the mobilization to occur. The current State of Maryland National Guard Armories that now average at least 50 years in age, clearly do not meet the requirements of today's potential threats, be they natural disasters or national security threats that may come to be evident.

Army facilities have rated between 50% and 60% over the past several years due to several reasons. Most of the armories are over 47 years old. Evaluation of the armories is based on an Installation Status Report, which is done annually by the National Guard Bureau. Facility readiness is based on the criteria set forth in the Installation Status Report. This criteria covers all areas including classroom space, training site availability to include ranges, bathroom facilities for both genders, and current maintenance of the facility including plumbing, cooling systems, heating systems and electrical systems. This report also includes accessibility and suitability of the facility for the type of unit assigned to the location. There are approximately 60 criteria used in the Installation Status Report. Facilities are rated on a green, amber or red status. Another factor that determines the functional status is the availability of funds. Most of the

facilities are state owned. This requires 100% state funds with the possibility of federal funds if available. The State must commit funds up front first and then apply for federal funds up to 50%. Having a \$9 million dollar backlog in the maintenance area only adds to the burden of trying to maintain the facilities. Many of the improvements are done through self-help projects. Adequate funding is the key to improvements in the functional status of the facilities.

2. Accidents and Lost Work Hours – The Department should be prepared to explain the spike in lost work hours, its causes, and preventative measures that were taken

The increase in lost work hours is due to two isolated incidents that involved state employees (i.e., caretakers) who were injured while performing their job functions. Both employees missed substantial time and are now back at work. The Military Department Accident Officer investigated both incidents and presented his findings during our quarterly risk management meeting. The first incident involved an employee shoveling loose gravel while patching a section of blacktop and resulted in a pinched sciatic nerve. The second incident involved an employee who broke their ankle while performing caretaker functions during adverse weather at an armory. Although these two incidents are isolated the annual caretaker and armory manager training includes a risk management segment to educate employees on the risks associated with their job functions.

3. Emergency Preparedness – The Department should be prepared to explain why a downward trend in performance is anticipated

The Capability Assessment for Readiness (CAR) measures the State government capabilities to develop and maintain the effective performance of the 13 Emergency Management Functions (EMFs) as defined by the Federal Emergency Management Agency. As the CAR is tied to federal standards it may not be an appropriate measure of State performance results as they relate to State funding. A more appropriate Managing for Results (MFR) goal and objective with clear and accurate performance measures should be developed. Until such new goals and objectives can be formulated, clarification of the present MFR Objective 1.1 is presented.

MFR Readiness Objective 1.1 states MEMA will maintain at least an 80% rating or better on the Capability Assessment for Readiness (CAR). Data from past years is presented as actual data for FY 2002 and FY 2003. Estimated values for future years are indicated at the projected value to be maintained, which is 80%.

These projections do not indicate an “expected trend downward from the FY 2003 performance level.” When the actual assessment is complete for fiscal 2004, the input to the MFR will reflect it; and only then will any trend will be indicated. MEMA’s ratings for Objective 1.1 have not “remained relatively flat since fiscal 2002,” as indicated in the analyst’s report but reflect that the actual data indicates a 6% rise in performance in FY 2003.

MFR Objective 2.1 states that MEMA will maintain a rating of “success” in 90% of all evaluated areas on an annual basis. This measurement is calculated by averaging the number of exercise objectives that are evaluated as successful by federal evaluators with the total number of evaluation criteria. There is a slight downward tick in the Exercise Objective 2.1. In FY 2002, MEMA fulfilled all exercise criteria. In FY 2003, the average value fell because some criteria were unsuccessful. Unsuccessful criteria are always corrected by the next exercise. However, the 98% actual success rate is still greater than the estimated maintenance value of 90%.

4. Governor's Proposed Budget – The Department should be prepared to provide an estimate of how much it expects in federal homeland security grants in FY'05. The department should also explain the grants management process and provide the latest organizational chart for MEMA

FY 2005 Federal Homeland Security Grant amounts cannot be estimated at this time. The President has announced that federal funding for Homeland Security will be changing for FY 2005 and beyond. Please see the attached spreadsheet detailing current federal Homeland Security Grants data.

Federal Homeland Security Grants are announced by the sponsoring agency and Maryland is invited to submit a grant application and proposed budget. The sponsoring agency then reviews and approves Maryland's grant application and proposed budget and awards grant funding. MEMA's finance office prepares and submits a Budget Amendment in the amount of the grant award to amend the Agency's funding appropriation and receive authority to execute these funds. The responsible MEMA program manager notifies proper prospective sub-recipients of awards and issues Memorandums of Understanding (MOUs) detailing amounts and acceptable uses of grant funds. Sub-recipients execute these MOUs and submit them with Budget Detail Worksheets and Program Narratives. Upon receipt, MEMA issues Notices to Proceed upon approval of Budget Detail Worksheets and Program Narratives. Sub-recipients execute funds and submit reimbursement requests to MEMA. Reimbursement requests are approved by MEMA program office for compliance to grant guidelines and forwarded to MEMA's finance office where they are processed for payment. Grant sub-recipients are issued reimbursements and forward grant close out reports to MEMA. MEMA requests federal reimbursement and sends the federal sponsoring agency a grant close out report to officially close the grant. A flow chart of this process is attached.

KEY ISSUES:

1. Homeland Security – Comment on Current and Planned Homeland Security activities

The Maryland Emergency Management Agency (MEMA):

1. Provides infrastructure and logistical support to Governor's Office of Homeland Security
2. Provides oversight for Homeland Security and Baltimore Urban Area Security grants
3. Sponsors over 100 Statewide, regional and local exercises and training opportunities for the emergency management community
4. Participates and facilitates statewide initiatives such as interoperability, Executive communications and Continuity of Government/Operations planning

2. Re-enlistments – Comment on the morale and re-enlistment expectations of the members of the Maryland Guard

Since 9/11 re-enlistments rates and moral are higher in units that have been deployed. However, benefits are the key to recruiting, retention and maintaining our units strength. The State Tuition Assistance program is vital to out recruiting and retention efforts.

Recommended DLS Actions #1:

1. Increase expected turnover to approximately 6%. This is lower than the department's current vacancy rate of 7% and lower than the fiscal 2004 budgeted turnover as well - \$173,365 GF.

Agency Response:

The Military Department opposes this recommendation.

The Military Department's total salaries include almost \$7 million in federal funds and 85 positions that are 100% federally funded. In addition another 100 positions require matching general funds. All of our current vacancies are critical to Homeland Security/Defense and have been approved to fill with recruitments in progress. Our general fund turnover rate is approximately 3% while our overall budgeted turnover rate is 5%. Increasing our general fund turnover rate would directly impact our ability to fill positions critical to meeting our Homeland Security/Defense mission.

Recommended DLS Actions #2:

2. Report on armory closings. Due December 1, 2004.

Agency Response:

The Military Department concurs with this recommendation.

A stationing plan is currently being reviewed and the results will be included in our report on armory closings. Our study will also include MEMA's requirement for additional space.